

**STATE OF WISCONSIN
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF MANAGEMENT SERVICES
BUREAU OF FISCAL SERVICES**

ACCOUNTING POLICY

TOPIC: Section 7--Payroll 7.0	EFFECTIVE DATE: 1/3/95
TITLE: Payroll Withholding and Fringe Benefit Reconciliation and Remittance	REVISION DATE:
AUTHORIZED BY: Cheryl Thompson, Deputy Director	PAGE 1 OF 2

I. FEDERAL AND STATE WITHHOLDING TAXES

BACKGROUND

Federal Income, Social Security, Medicare, and State Income Taxes are withheld from wages and salaries. Biweekly payroll entries for these withholdings are credited to appropriate balance sheet accounts in WiSMART as part of DOA Central Payroll processing. Manual checks and deposits generate adjustments to the withholding accounts which must be entered manually to the WiSMART system to reflect the proper tax payable. Payment of the withholding taxes must be made based on the accrued totals.

POLICY

Financial personnel in the Department of Health and Social Services shall adjust and reconcile Federal and State withholding taxes and make required deposits of taxes in an accurate and timely manner. Appropriate transactions will be processed to insure proper maintenance of the employee's payroll records.

PROCEDURES

Detailed procedures are available in **Payroll 7.0 Supplement (Payroll Withholding and Fringe Benefit Reconciliation and Remittance)** from Ken Thyberg (see contact person below).

II. EMPLOYEE FRINGE BENEFITS

BACKGROUND

The following employee fringe benefit types require adjustment each payroll period to insure proper remittance to the Wisconsin Department of Employee Trust Funds (ETF).

1. Wisconsin Retirement System (including Teacher Retirement)
2. Health Insurance
3. Life Insurance
4. Employee Reimbursement Account
5. Savings Bond Withholding

Throughout a pay period, manual checks and other adjustments to payroll generate changes in withholding and state share accruals for the above items. These changes must be reflected in the WiSMART entries to transfer the proper amount to ETF based on the adjusted accruals.

POLICY

Financial personnel in the Department of Health and Social Services shall adjust and reconcile employee fringe benefit accruals and make required transfers of funds to the Department of Employee Trust Funds in an accurate and timely manner. Appropriate transactions will be processed to ensure proper maintenance of Central Payroll System and WiSMART records.

PROCEDURES

Fringe benefit reconciliation is performed by either a Payroll and Benefits Specialist in the Payroll Section of the Bureau of Personnel and Employee Relations or by the Payroll Financial Specialist in the Bureau of Fiscal Services.

Any adjustment to a fringe accrual made manually in WiSMART since the last payroll will necessitate a corresponding WiSMART entry to eliminate the accrual and record the transfer to the Department of Employee Trust Funds (ETF).

Detailed procedures are available in **Payroll 7.0 Supplement (Payroll Withholding and Fringe Benefit Reconciliation and Remittance)** from Ken Thyberg (see contact person below).

REFERENCES

DOA State Accounting Manual and related WiSMART training materials
Central Payroll User's Manual
Central Payroll On-line User's Manual

CONTACT PERSON

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